

California Department of Child Support Services



Restructuring California's Child Support Program Mid-Year Status

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INTRODUCTION

The Department of Child Support Services (DCSS) has just completed its first 18 months of operation. During this time, DCSS has made significant progress toward implementing the numerous statutory requirements envisioned in the reform legislation that mandated restructuring California's child support program. DCSS has also undertaken several major efforts directed at program innovation and increased performance, moving the program into the future. California's child support collections are improving and have reached the \$2 billion mark for the first time in history and are estimated to reach \$2.3 billion next year. This report highlights the major accomplishments and efforts that are currently underway to continue the restructuring of the child support program and successfully meet the goal of contributing to the well-being of children and the self-sufficiency of families.

BACKGROUND

In recent years, California's child support program came under increasing scrutiny and criticism from the Legislature, child support advocates, its customers and oversight agencies. These groups charged that the program, as previously structured, did not effectively collect support for California's children. The program was operated independently by 58 county district attorney offices without strong State leadership. Furthermore, the program did not serve parents or children in a fair, uniform or consistent manner. It was all of these facts that contributed to unacceptably low child support collections and inadequate services provided to the families.

In 1999, the California Legislature enacted and Governor Davis signed the groundbreaking child support reform legislation¹ establishing DCSS effective January 1, 2000 to address these problems. Specifically, DCSS is charged with restructuring California's child support program and overseeing a State directed, locally delivered child support program that is administered uniformly across all 58 counties. In addition, the reform legislation established a partnership between DCSS, as project owner, and the Franchise Tax Board (FTB), as project agent, to procure, develop, implement and maintain a statewide automated system: The California Child Support Automation System (CCSAS) Project.

COLLABORATION

DCSS has adopted the guiding principles of *inclusion* and *collaboration* as the cornerstones for implementing the reform legislation and establishing structured processes for decision-making, priority setting, ongoing performance evaluation, and continuous improvement of the program. These principles guide the approach to doing business within DCSS and with its external partners.

The DCSS Director has established a standard practice of using project teams and workgroups that represent the child support community at large to assist the

¹ Reform Legislation included: AB 196 (Kuehl) Chapter 478, Statutes of 1999; AB 150 (Aroner) Chapter 479, Statutes of 1999; SB 542 (Burton/Shiff) Chapter 480, Statutes of 1999; AB 111 (Aroner) Chapter 147, Statutes of 1999; and AB 472 (Aroner) Chapter 803, Statutes of 1999.

Department in restructuring the program. Each workgroup is led by DCSS and comprised of representatives of the local child support agencies, advocacy groups, labor unions, courts and when appropriate, other state agencies. This approach has proven extremely valuable in the Department's ability to meet program mandates timely and effectively as it leads the program restructuring.

County Agency Transitions

The child support reform legislation mandates the transfer of responsibility for program administration from the County District Attorney Office to new local child support agencies. Furthermore, the transfer of all county child support offices is to be completed by December 2002, with 50% or more of the statewide caseload required to be transferred by December 31, 2001. In an effort to ensure timely and efficient transition of local child support programs, DCSS implemented the legislative option to transition some counties early. Eleven "pioneer" counties were selected to be transitioned by December 2000, including Nevada and Sierra counties who chose to consolidate their child support services program. Transition of the 11 pioneer counties resulted in almost \$1 million in ongoing savings to the program.

DCSS continues efforts to seamlessly transition programs without disruption to program services. As of July 1, 2001, thirteen² of the seventeen Phase 2 counties have transitioned amounting to an ongoing annual savings of over \$2 million. The remaining four³ counties are in process to transition by December 31, 2001. In total, 28 counties have transitioned as of July 1, 2001 representing 55% of the statewide caseload, and resulting in almost \$3 million in ongoing savings to the program.

Phase 3 county transition efforts are well underway. DCSS held a Phase 3 County Transition kickoff meeting on August 3, 2001 with local IV-D Directors, County Administrative Officers, and other county representatives. The purpose of this meeting was to provide an update on county transitions, discuss the transition process, provide county sharing, and answer questions. Twenty-eight of the thirty Phase 3 counties were represented.

Twenty-two of the thirty Phase 3 counties will transition effective July 2002. The remaining eight counties will transition December 2002. Processes are in place to ensure early submission and approval of counties' transition plans. (Attachment 1 – "Local Agency Transition Schedule")

DCSS has encouraged local child support agencies to consider opportunities for consolidation, as part of the county transition process. The intent is clearly to consider consolidation with other child support agencies or any function of the agencies if it will

² Butte, El Dorado, Inyo, Los Angeles, Mariposa, Mendocino, Mono, Monterey, Plumas, San Bernardino, Trinity, Tulare, Tuolumne

³ Amador, Kern, San Benito, San Diego

increase efficiency of the program, while maintaining public accessibility to the program through the operation of at least one office in each county.

Major Efforts Completed or Underway

DCSS has undertaken several major efforts directed at program innovation and increased performance. The following information highlights the major accomplishments and efforts that are currently underway to continue the restructuring of the child support program. The overall goal is to manage change to the basic operation of the program, create an atmosphere of services balanced with enforcement, and to transform the culture of the program across 58 counties.

Complaint Resolution and State Hearing Processes

Summary: AB 472 (Chapter 803, Statutes of 1999) requires the implementation of a complaint resolution process and State Hearing process to resolve complaints received from custodial parties and non-custodial parents. The bill further requires each local child support agency to establish and maintain a child support complaint resolution process as of the date the agency transitions from the Office of District Attorney.

Status: Effective July 1, 2001, DCSS adopted emergency regulations implementing the local complaint resolution process and State Hearing process. DCSS also mailed the regulations to all the Child Support Directors on June 29, 2001, which are now available on the Internet at <http://www.calregs.com>.

DCSS has rolled-out and is implementing the Complaint Resolution and the State Hearing processes. In addition, DCSS has contracted with the California Department of Social Services, State Hearing Office to conduct the child support State Hearings. Counties are required to resolve any complaint within 30 days after receipt of the complaint, allowing for a one-time 30 day extension if the facts of the specific complaint demand additional time. An individual is required to exhaust the complaint resolution process prior to requesting a State Hearing.

In order to accomplish a successful roll-out of these new processes, DCSS developed forms, brochures and a web-based Complaint Resolution Tracking System (CRTS) to collect complaint information from the local child support agencies. Effective July 1, 2001 or upon transitioning, all counties are required to use the CRTS to collect specified complaint information. In addition, DCSS is providing training materials statewide to achieve statewide uniformity throughout the child support program so that all customers of the program are treated fairly and equitably.

DCSS has also determined that a uniform statewide implementation of the complaint resolution process will provide better customer service to the child support population, rather than segmented implementation as counties complete transition to local child support agencies. DCSS has been requesting and strongly encouraging the

cooperation of non-transitioned counties to voluntarily implement the complaint resolution process by July 1, 2001. To assist in this effort, DCSS is seeking an amendment that will require all counties to implement the complaint resolution process effective with the passage of the legislation. This amendment is contained within the DCSS sponsored bill, SB 943, which is authored by the Senate Judiciary Committee and contains an urgency clause. We anticipate the passage of SB 934 in September 2001.

Customer Service Plans

Summary: On November 7, 2000, DCSS released Child Support Services (CSS) Letter No. 00-07, requiring each county to implement an Ombudsperson Program and develop and implement Local Customer Service Initiatives that address the needs of their customers. Counties were required to submit their initial customer service plan in December and submit quarterly progress reports on the status of their customer service plan implementation. DCSS provided the local child support agencies with \$15 million to fund the Customer Service Initiatives, based on local needs.

The quarterly reports are required to detail the current status of the Ombudsperson Program and Local Customer Service Initiatives, including lessons learned, innovative practices, expected and actual outcomes of the Customer Service Initiatives.

Status: All 58 counties, either separately or in combination with another county, submitted an initial and their first quarter customer service plans. DCSS reviewed each customer service plan for completeness and adherence to Customer Service Allocation Guidelines requirements as outlined in CSS letter No. 00-07. DCSS sent each county a letter that acknowledged receipt of the plan and verified their plan met the Customer Service Allocation Guidelines requirements.

The majority of the customer service plans included activities designed to improve client access to child support program services, staff training, public outreach, and services to encourage program participation. After completing a review of each county's customer service plan, DCSS provided all counties samples of innovative ideas identified through the review of the customer service plans.

DCSS is currently developing customer service regulations that will require many of the innovative ideas included in individual county plans to be incorporated in the county's day-to-day operations to improve services to customers.

Ombudsperson Program

Summary: CSS Letter No. 00-07 dated November 7, 2000, required each county to implement an Ombudsperson Program. The role of the Ombudsperson Program is to facilitate resolution of issues at the earliest possible time. The lead Ombudsperson in

each county reports to the local child support agency Director and functions independently from the other child support processes and responsibilities. DCSS provided the local child support agencies with \$10 million for the Ombudsperson staff, with the funding level based on county caseload.

Status: Effective July 1, 2001, DCSS adopted emergency regulations implementing the Ombudsperson Program in every county. DCSS mailed the regulations to all the county Child Support Directors on June 29, 2001, which are now available on the Internet at <http://www.calregs.com>.

DCSS mailed a letter that provided all counties with uniform definition of the Ombudsperson and clarified their role in the California Child Support Program. Additionally, DCSS provided workshops to the lead Ombudspersons and the Child Support Directors to clarify the Ombudsperson's roles and responsibilities in the complaint resolution process as well as services the Ombudsperson should offer customers.

DCSS developed a statewide Ombudsperson contact list that provides the name, address, telephone number, fax number, and e-mail address for the lead Ombudsperson in each county. DCSS provided this list to all county Child Support Directors as well as the lead Ombudsperson in each county. (Attachment 2 – "Ombudsperson Information")

Customer Service Satisfaction Survey

Summary: Following the September 2000, Customer Service Summit, DCSS determined the need to conduct a statewide Customer Service Satisfaction Survey to gather baseline information of customer service issues faced by the local child support agencies, child support customers, custodial and noncustodial parents. The information obtained through the survey will assist DCSS in establishing customer service goals and develop standardized customer service performance measures.

Status: The DCSS asked for county and stakeholder volunteers to participate in a workgroup to assist in the development of the survey tool. DCSS contracted with the University of California, Berkeley's Survey Research Center (UCB) to administrate the survey via the telephone. The Survey will represent a county by county sample consisting of a total of 10,000 customers (5000 custodial and 5000 noncustodial parents) consisting of 112 questions which cover topics of customer service by point of contact as well as demographic questions. In February 2002, UCB will provide DCSS a final report covering all aspects of data generated from the Survey and UCB will provide regular progress updated starting August 28, 2001 and will report monthly thereafter.

Departmental Outreach Efforts

Summary: The child support reform legislation requires the DCSS and local child support agencies to provide educational and public outreach efforts to inform the public and stakeholders of the program's available services.

Status: The DCSS has proceeded with Outreach Strategic Planning efforts to clearly define the outreach function of the Department. The strategic planning process has, thus far, consisted of drafting the mission of the Outreach Section and identifying stakeholders and media types that are used to relay information to the public. The Outreach Strategic Planning efforts will reinforce the goal for a uniform California child support program. In time, child support outreach materials within the State will be uniform in content and appearance.

The DCSS "Responsible Fatherhood" public awareness campaign was recently recognized by the National Football League (NFL) in Nashville, Tennessee as an innovative collaborative community service project with the NFL. This California campaign communicates the importance of supporting children financially and emotionally. DCSS is rolling-out the "Responsible Fatherhood" Campaign for 2001, as well as the "Major League Dads" Campaign which communicates the same message and involves Major League Baseball teams.

Current outreach efforts include the Child Support Awareness Month (August) activities and the development of public outreach materials regarding Complaint Resolution, Ombudsperson Services, and State Hearings.

The DCSS anticipates that Outreach Strategic Planning will be completed by October, 2001. Once an outreach strategy is in place, DCSS will proceed with plans to create a more uniform outreach program, by which child support information will be distributed within the State of California.

Training Project

Summary: A State-directed, uniform, carefully planned and executed training program is an essential element in ensuring the success of California's restructured child support program. DCSS is responsible for redesigning the child support program toward uniformity and in this regard must not only provide the vision for what the program should be, but also must successfully implement the vision. The vision for the training program was published in November 2000 through the *Training Program Concept Paper*. Since that time, the DCSS unit responsible for implementing that vision has been fully staffed and has generated a plan for carrying out its responsibility as stated in Family Code Section 17306(b)(8). This section requires DCSS to develop uniform training protocols, require periodic training of all child support staff and conduct training as appropriate.

Status - Federal Training Project. DCSS agreed to participate as the pilot state for the Federal Office of Child Support Enforcement's (OCSE) initiative to develop national child support training inventory and needs assessment models. This initiative is being funded by OCSE and coordinated by their contractor, Policy Studies, Inc. (PSI). This initiative is scheduled to be completed in November, 2001 and has two major components:

- Inventory Tool. The inventory tool was designed, automated for Internet use and, during July 2001, pilot tested in California. All county child support agencies participated in the inventory by entering information relative to their county's training resources (including physical plant, technology/equipment, personnel and materials). The results of this process are currently being compiled within a PSI database. DCSS will assess the resulting data and select existing county materials to evaluate for possible statewide implementation.
- Needs Assessment Instrument. The needs assessment instrument has been designed and automated for Internet use. The California pilot is scheduled to occur during the last week in August, 2001. One tool has been designed for Caseworkers and another for their supervisors. The instrument is intended to assess general organizational and training strengths and weaknesses. Results will be analyzed by PSI who will arrive at high-level recommendations for alternative organizational structures, business management models and training and development programs.

Status - DCSS Training Program. The Training and Procedures Unit within the Policy Branch of DCSS is responsible for administering the training program that supports county child support operations. In the past four months, the unit has developed and put in place the administrative models necessary to achieve the vision set forth in the *Training Program Concept Paper* and has designed a three-year plan for achieving the vision.

Highlights include:

- A planning function comprised of a Strategic Training Plan, annual planning processes that provide county child support agencies a mechanism for establishing and communicating training activities and needs projections, and a three-year curriculum design plan to facilitate global priority setting.
- A research function that establishes job research needed to support a valid, job-related and credible child support training program, incorporates consideration of best practices, and identifies and analyzes trends in adult education and training.
- A curriculum design methodology that ensures the inclusion of management direction, child support professional expertise and Training Advisory Committee approval.
- A curriculum implementation function designed to solidify partnership between the DCSS Training unit and the Training Coordinators within each local child support agency.
- A comprehensive program evaluation function comprised of initial assessments of trainer and trainee reactions to training materials, immediate evaluation of the degree of learning achieved, follow-up assessment of the impact of training on job performance, and analysis of the return on the training investment.

- Use of a succession plan model that will facilitate overall program administration. This model defines, for each major career ladder within child support services, the competencies (skills) required to achieve success at each level of rank and file, supervisor, manager and executive. The development of these competencies will be based on the results of the research function.
- A Certified Trainer Program that will establish and maintain a cadre of top-quality, professional child support trainers for California's program.

Revised Case Closure Policy

Summary: As recommended by the P3 Project Workgroup, establishing uniform case closure policies and procedures is a key part of the case management effort. Adopting the federal case closure guidelines, with the requirement that local agencies have access to and use specific locate tools before a case is eligible for closure, is important for uniformity in process and program performance measurement.

Status: In June 2001, the DCSS released Child Support Services (CSS) Letter No. 01-16, implementing the revised case closure policy. The Department has also completed the drafting of the case closure regulations that formalize the policies and expect adoption of the regulations by October 2001.

Undistributed Collections

Summary: The DCSS, the local child support agencies and advocates for children and families have been concerned about the increased amount of reported undistributed collections (UDC). We have the mutual goal of timely collection and distribution of all money due to parents caring for their children. We also know that this issue has become a major concern not only for California but for the nation. The federal Office of Child Support Enforcement (OCSE) has joined efforts to seek solutions. Last year, DCSS began a special effort to identify the accurate amount of undistributed collections in order to provide accurate data on child support collections and distribution performance and to ensure that all money due families was distributed to families as quickly as possible.

Status: To determine the actual UDC amount, it was necessary to develop a supplemental form that could be traced to the local level. This effort took several months to review and define the necessary data elements used to calculate the automated quarterly federal report since each data element refers to several monthly state reports.

This initial effort was refined in late May based on monthly meetings with county representatives and advocates for children and families to assure data element definitions were consistent throughout the state, defined reporting formats were

followed, and plans of action were developed to ensure accurate figures by July 1, 2001.

To better ensure the validity of our approach and accuracy of information reported, DCSS contracted with Sjoberg & Evashenk Consulting, LLC to independently verify on-site county level data. Representatives from Sjoberg & Evashenk Consulting, LLC conducted site visits at eleven counties to learn about county financial processes (for collections, distributions and undistributed collections) and data capturing systems. In addition, they reviewed the information counties provided to the state about UDC and the underlying data in order to validate the amounts reported to provide the state and federal government with accurate undistributed calculations. This effort will lead to establishing an accurate amount of UDC, the reasons for non-distribution, and identification of special efforts to ensure that all monies are timely and appropriately distributed in the future.

DCSS has gathered the initial data, county by county, to accurately identify the amount of UDC. The March and April 2001 data has been analyzed and compared to May data. This review indicates the data provided over the three month period is consistent, with little variation of overall category percentages compared to the total UDC. There is general agreement that the identified categories are capturing the correct UDC. Preliminarily, the data indicates that the actual amount of UDC (\$64 million) is, as expected, significantly less than (\$191 million) reported to OCSE.

The new supplemental report coincides with a national effort to identify UDC by category, identify areas that need to be worked, and separate monies that “point in time” reports identify are normal cash flow business practices, i.e., TANF reimbursements that take place between the 1st and 5th of the moth. DCSS has determined that 66% of reported UDC falls into this category. An additional 24% are monies for future payments, overpayments, and monies pending resolution of disputes.

DCSS will be aggressively concentrating on three categories; unable to disperse, unidentified payments, and other, that account for the remaining 10% of the UDC. These three categories have been identified by the counties and advocates as high priority that need to be worked expeditiously. As part of the Department’s commitment to continuous improvement, Quality Improvement and Assurance Teams have been funded to assist counties in reducing UDC and developing strategies to prevent future accumulation.

DCSS has defined all the data elements in the various state reports and will train the counties and consortia on the definitions in mid-late September 2001. The DCSS will also be auditing all counties financial reporting, will revise the federal reports/forms to the new definitions, and will monitor individual counties’ performance. The overall objective is to ensure all local agencies accurately report undistributed collection balances uniformly statewide. It is anticipated that this effort will take three to six months to complete.

As a result of our collaborative approach to resolving the UDC issue, the advocate community was very pleased with the Department's approach and has recommended it as a model to other states.

Hispanic Outreach Project

Summary: In September 2000, a \$50,000 federal Office of Child Support Enforcement (OCSE) outreach grant was made available to DCSS to assist in improving child support collections and to design and test new models for outreach to traditionally under-served populations.

California is the most culturally diverse state in the nation. In 1990, California's Hispanic population was 26 percent. By 1998, the Hispanic population had grown to 30 percent in California compared to 12 percent nationally. Previous demonstration projects have indicated that the Hispanic population does not utilize child support services in the same proportions as other populations.

DCSS is committed to breaking through cultural and linguistic barriers to let all communities know that financial responsibility is a vital part of the parent-child relationship. DCSS is using the grant to test a planned, culturally and linguistically "aware" program of intervention, customer service, and outreach within a large urban Hispanic community in the County of Los Angeles.

Status: Included with the Department of Child Support Services in the Hispanic Outreach Project (HOP) are the following: Los Angeles County Child Support Services, Los Angeles County Community and Senior Services, UCLA Research Team, and California State University, Chico Outreach and Media Development. Various faith- and community-based organizations are assisting HOP within the targeted cities of Bell, Bell Gardens, and Cudahy in Los Angeles County.

The purpose of HOP is to communicate effectively with Hispanic child support services customers – both custodial and non-custodial parents. Through comprehensive delivery of services, the project intends to identify what types of outreach materials or forums are most effective, to educate both custodial and non-custodial parents on the availability of child support services, and ultimately, to increase their use of those services. HOP will conclude with an evaluation to measure the effectiveness of all outreach measures employed by the project, anticipated to be completed in June 2000.

Fathers, Families and Communities Initiative

Summary: The Fathers, Families and Communities Initiative will develop a demonstration project to focus on low-income fathers who have employment and social barriers that prevent them from providing adequate financial, medical or emotional support to their children. This multi-agency collaborative will enable DCSS to target

community-based services in seven counties to assist this population on non-custodial parents.

Status: DCSS is currently meeting with the California Employment Development Department to secure funding to move forward with the implementation of the Project. In addition, DCSS is exploring the availability of Welfare Investment Act funds for the project.

In August 2001, DCSS submitted a grant application to OCSE to fund a demonstration project entitled *Responsible Fatherhood for Incarcerated and Recently Released Non-Custodial Parents*. This proposal contains five key components: the establishment of a State Steering Committee, development of a training curriculum model to educate incarcerated father about the child support services program, transition of fathers from prison into local community fatherhood programs, provision of community-based services to this population and formal project evaluation. DCSS anticipates notification on the status of the grant application in September 2001.

Default Orders

Summary: Seventy percent of child support orders in California's child support program are established by default, that is, the non-custodial parent fails to participate in the setting of the order. If no income information is available at the time the order is set, it is set at the Minimum Basic Standard of Adequate Care, which is \$402 per month for one child, \$658 for two. While there is a simplified set aside process for orders established this way, it has not been used. Thus, a majority of the state's orders may have no reflection on the ability of the obligor to support his or her children. This has led to an escalating amount of child support arrearages and has pushed down California performance on a key federal and state performance measure – collection of current support.

Status: A workgroup of stakeholders in the child support community including advocates, Judicial Council, local agency staff, and DCSS staff have convened to examine the factors contributing to the high rate of orders established by default and to reevaluate current practices (including service of process). The workgroup has been meeting regularly since February, surveying local practices, identifying and discussing issues and examining the preliminary results of the collectibility survey. The workgroup will be meeting in August to discuss preliminary recommendations for uniform statewide procedures that will result in more accurate orders being established and enforced.

County Allocation Process

DCSS is responsible for allocation of funds to local child support agencies to support their efforts in administering California's child support program. The 1999 Child Support Reform legislation prominently recognized that the State has a fiscal interest in ensuring

that county child support programs perform efficiently. In fact, DCSS is directly charged with reducing the cost of and increasing the speed and efficiency of child support operations. Fundamental to the operation of an effective and efficient child support program is the fair, equitable and rational allocation of resources.

A workgroup has been established, consisting of representatives from DCSS and the Child Support Director's Association, to develop the new budget allocation method to be used to distribute funding for local child support agencies beginning in Fiscal Year 2001-02. The goal of the effort is to develop a fair and equitable budget allocation approach that distributes the resources necessary for each local child support agency to meet expected performance standards. The resulting budget allocation approach will need to be implemented in a manner that is both thoughtful and non-disruptive to current program operations. Recognizing that it will take several years to fully implement a new allocation system, a broader group of stakeholders, including state control agencies, will also be consulted to ensure commitment and support to the effort.

DCSS is committed to establishing a budget allocation methodology that will fairly and equitably distribute resources to local child support agencies. The methods need to be based on requirements and expectations that are understood in advance by all to permit local agencies the ability to plan and manage local programs efficiently and effectively.

Regulation Development

DCSS has made substantial progress towards meeting the statutory requirement of promulgating regulations that implement uniform forms, policies and procedures that govern California's restructured child support program. The P3 Workgroups delivered over 300 recommendations for the consideration of the Director, with several of the recommendations serving as the bases for the regulations. The regulations are being adopted on an emergency basis, as permitted by statute. As part of the development process, DCSS collaborates with and seeks feedback from the child support community at large, as well as OCSE and other program stakeholders, to ensure the forms, policies and procedures required by the regulations can be implemented effectively after the regulations are adopted.

DCSS anticipates adopting approximately 16 emergency regulations packages through a three-phase process. During Phase I, five regulations packages are expected to be adopted between July 1 and August 31, 2001. During Phase II, another six packages are expected to be adopted between September 1 and November 30, 2001. Finally, during Phase III, the remaining five packages are expected to be adopted between December 1, 2001 and February 28, 2002. (Attachment 3 – Regulation Status)

Collectibility Study

SB 542 (Chapter 480, Statutes of 1999) mandates DCSS to analyze the current amount of uncollected child support arrearages statewide and determine the amount that is realistically collectible. DCSS, along with the Rosenberg Foundation, has contracted with the Urban Institute to conduct the collectibility study. Additionally, DCSS asked the Urban Institute to assess the county socio-economic factors, such as unemployment rate, to local child support program performance to aid the Department in establishing fair performance standards.

Initial Report – Performance Measures Study

The first deliverable of the Collectibility Study, *Child Support Performance Measures and County Characteristics: How Related Are They?* was presented to a wide variety of interested parties and program stakeholders in November 2000. Data were collected on 10 child support measures and 20 socio-economic characteristics for the 58 California counties. Nine of the 10 performance measures are included in the reform legislation mandates. Five of the performance standards were adopted from federally mandated performance standards.

Key Findings of the Characteristics Study

- In general, the study found that child support performance is not wholly associated with county characteristics. There is no strong evidence that counties with socially and economically disadvantaged populations perform significantly lower on most of the child support performance measures.
- The substantial variation in California child support performance among the counties is not driven by county characteristics. Instead it reflects, at least in part, differences in county child support management and program operations.

Estimating How Much Of The Arrears Are Collectible:

A draft of the third deliverable of the Collectibility Study, *Estimating How Much Of California's Child Support Arrears Are Collectible Using State-Wide Data Bases*, was presented to DCSS in August 2001. This draft of the report examines four characteristics thought to influence collectibility – the amount of income most recently reported for each individual, the length of time the individual has held the debt, whether the individual lives in California, and whether the individual has made recent intercept payments on their debt.

Key Statistics from the Draft Third Deliverable of the Collectibility Study

- 70 percent of California's arrears are held by individuals who have no recent income or have net incomes below \$10,000.

- Half of California's arrears are held by individuals who have held it for at least two and one half years and have not made any intercept payments to reduce their debt during that time.
- Between Fiscal Year 1992 and Fiscal Year 1999, California's child support arrears increased nearly five fold, from \$2.5 billion to \$14.1 billion.
- Nearly 200,000 debtors have recent net incomes below \$5,000 yet their median child support award is \$285 a month, which is higher than their median net income.

The final report is expected by the end of 2001, and will include conclusions and recommendations based on the study findings.

Performance Standards

Family Code Section 17602 requires DCSS to adopt performance standards effective January 1, 2001. After consultation with local child support agencies and child support advocates, the performance standards outlined in Family Code Section 17602 (a) were adopted as the state performance measures in December 2000. The federal performance measures outlined in Section 458 (A) of the Social Security Act were also adopted. (Attachment 4 - Performance Measures)

The data on these performance measures is currently being collected and analyzed. DCSS will use the initial data for establishing a baseline for each county's performance. In addition, the performance data is being tracked to help identify issues that may be affecting a county's ability to meet the minimum level of the federal performance standards.

The following activities are currently underway to improve county performance:

- DCSS has initiated contracts with outside vendors to examine how to improve county performance statewide and specifically in Los Angeles and three other counties of representative size and demographics, based on their performance.
- DCSS will visit a sample of the best performing counties and solicit their best practices.
- As a result of the Collectibility Study and the Default Order Workgroup, recommendations will be made which will address establishing more realistic orders and actions targeted at improving the collectibility of orders established.
- The case closure, duplicate cases and case transfer policies will reduce the over counting of cases requiring services.
- DCSS has developed a Requirements Analysis Workgroup (RAW) to improve the integrity and consistency of data reported on the OCSE 157.
- The focus of the SB 1410 reviews will be on reviewing those counties not performing well on the federal performance measures (as opposed to welfare and post welfare collections).

Pre-Statewide Interim Systems Management (PRISM) Project

The Pre-Statewide Interim Systems Management (PRISM) project is responsible for ensuring existing county automation continues to support the activities of the child support program until the new single statewide system is available. Major PRISM Project activities include converting counties to one of the six approved consortia systems, providing interfaces to the Federal Case Registry during the interim period, and providing oversight of county automation efforts. The consortia systems will be maintained and operated until the single statewide system is fully implemented and the legacy systems have been fully retired.

DCSS has created a PRISM Advisory Group (PAG) to serve as a communication and information sharing workgroup where technical decisions can be discussed and direction decided. PAG meets monthly and its members are comprised of representatives of the six consortia lead county and State technical staff. Members of the statewide automated project staff also participate in the PAG meetings and have used the group to gather data about the current processing environments in the counties. A Requirements Analysis Workgroup (RAW) has also been formed for the purpose of developing functional requirements for consortia system enhancements. RAW is responsible for developing common data definitions and processing rules for systems changes that will be implemented consistently across all six consortia systems, and therefore, across all local child support agencies.

County Conversions to Consortia Systems

The PRISM Project will complete its conversion of over 20 local child support systems to one of the six approved consortia systems by February 2002. The final interim systems to be supported until the single, statewide-automated system is implemented are identified below:

County	Current System	Destination System	Completion Date
Alameda	BEST	BEST	
Alpine	CASES	CASES	9/8/98
Amador	CASES	CASES	6/1/98
Butte	KIDZ	KIDZ	3/6/00
Calaveras	CASES	CASES	11/1/00
Colusa	CASES	CASES	5/4/98
Contra Costa	BEST	BEST	10/1/98
Del Norte	CASES	CASES	8/6/98
El Dorado	SLO/Merced	CASES	9/4/01
Fresno	FACTS	STAR/KIDS	9/4/01
Glenn	CASES	CASES	12/1/00
Humboldt	CASES	CASES	5/1/01
Imperial	KIDZ	KIDZ	
Inyo	CASES	CASES	7/1/98
Kern	KIDZ	KIDZ	
Kings	CASES	CASES	

County	Current System	Destination System	Completion Date
Lake	CASES	CASES	9/8/98
Lassen	CHASER	CHASER	
Los Angeles	ARS	ARS	
Madera	CASES	CASES	5/1/01
Marin	CHASER	CHASER	
Mariposa	CASES	CASES	7/1/98
Mendocino	KIDZ	KIDZ	5/4/99
Merced	CASES	CASES	9/5/00
Modoc	CASES	CASES	7/1/98
Mono	CASES	CASES	8/4/98
Monterey	CASES	CASES	8/1/00
Napa	CASES	CASES	11/1/00
Nevada	CHASER	CHASER	
Orange	Unique to County	ARS	11/14/01
Placer	KIDZ	KIDZ	6/7/99
Plumas	CASES	CASES	6/1/98
Riverside	STAR/KIDS	STAR/KIDS	
Sacramento	CASES	CASES	11/3/99
San Benito	CASES	CASES	11/1/00
San Bernardino	STAR/KIDS	STAR/KIDS	8/2/00
San Diego	Rally 2000 / ARTAS	ARS	2/4/02
San Francisco	CASES	CASES	
San Joaquin	KIDZ	KIDZ	11/1/00
San Luis Obispo	CASES	CASES	8/5/98
San Mateo	CHASER	CHASER	
Santa Barbara	STAR/KIDS	STAR/KIDS	
Santa Clara	CASES	CASES	
Santa Cruz	CASES	CASES	9/1/99
Shasta	KIDZ	KIDZ	8/1/98
Sierra	CASES	CASES	6/1/98
Siskiyou	CASES	CASES	9/8/98
Solano	CASES	CASES	
Sonoma	CASES	CASES	
Stanislaus	BEST	BEST	9/1/98
Sutter	CASES	CASES	11/2/98
Tehama	Unique to County	CASES	9/4/01
Trinity	CASES	CASES	6/1/98
Tulare	CASES	CASES	
Tuolumne	CASES	CASES	12/1/00
Ventura	KIDZ	KIDZ	6/7/99
Yolo	KIDZ	KIDZ	2/5/01
Yuba	KIDZ	KIDZ	5/1/01

The remaining two counties converting to CASES and the last county to move to the Star/Kids consortium are scheduled for completion September 2001. Orange County is scheduled to move to the ARS consortia in November 2001 with the final county conversion (San Diego) scheduled for February 2002.

Interim Federal Case Registry

The Interim Federal Case Registry (FCR) can significantly enhance the ability of California and other states to locate parents and their assets by providing standardized case and member data to the FCR prior to the availability of the single, statewide system. Test submissions of the State's county data to the FCR, and the resulting availability of federal proactive matching information, have proven to be effective in locating obligors and their assets. This project will also encourage counties to participate in statewide data cleansing and resolution of duplicate cases since duplicate cases are rejected by the FCR. The Interim FCR will provide California the ability to realize the benefits of its rich data matching functionality and the resulting increased revenues generated. The single, statewide system will interface directly with the FCR when it is implemented.

To date, 40 counties have loaded their cases to the FCR with the remaining counties targeted for full implementation by the end of this fiscal year. Over one million California child support cases have been loaded to the FCR as of August 15, 2001 resulting in over three million member records. Child support caseload information is now available to other states, providing interstate case matching capabilities with California for the first time.

County Automation Oversight

DCSS hired a consulting firm to perform a baseline assessment of how the six consortia systems were currently being managed. The assessment focused on management processes and documentation and that the processes were being followed. The baseline assessments have been completed and assessment reports are in various stages of being finalized. Corrective action plans are required for any identified "high" and "medium" risks with monthly status reporting on progress to correct findings. DCSS is using the results of the assessments to assist in prioritizing statewide processes that must be developed, implemented, and maintained.

California Child Support Automation System (CCSAS) Project

The California Child Support Automation System (CCSAS) Project mandated by AB 150, Aroner (Chapter 479, Statutes of 1999) is being developed in a partnership between the Department and the Franchise Tax Board (FTB). Major activities have focused on project planning and scheduling and the various procurement-related tasks. Additionally during this reporting period, the services of an Independent Verification & Validation agent were established by the federal Administration for Children and Families (ACF) to provide oversight functions.

Project Planning & Management Activities

The CCSAS Project Management Office (PMO) and Quality Assurance function have been established and consultants hired to support project staff in developing and maintaining plans, procedures, processes, and schedules, and coordinating deliverables development, review and approval. A detailed planning process is underway to refine the project master schedule and resource requirements for the upcoming 12-month time period.

Procurement Activities

The Performance Based Procurement process, being led by FTB, will ensure that the single statewide automated system procured and implemented was not based on low bid but instead provided the “best value” solution to the State of California. The next major step in the procurement process is the release of the Child Support Enforcement (CSE) Solicitation for Conceptual Proposal (SCP). The SCP replaces the Request For Proposal used in traditional procurement processes. The SCP presents the child support business problem statements and solicits proposals that offer the most efficient, effective and innovative solutions to those problems. After the SCP is released to the Qualified Business Partners (QBP), the evaluation process, which includes a series of confidential discussion with the QBPs, will be conducted based on a pre-defined set of strict processes and procedures designed to protect the integrity of the procurement process.

Work has also begun on a separate procurement for the State Disbursement Unit (SDU). Requirements definition has begun as well as issue identification and resolution, and research of best practices with other states’ disbursement functions. Although SDU procurement is on a separate track from the CSE, they will be implemented at the same time. When implemented, the SDU will centralize all child support payments and disbursements, a significant change from the way business is done today. Last year the decision was made to procure the State Disbursement Unit (SDU) portion of CCSAS separately from the child support management (CSE) portion. A study was done of other states, both by site visits and a telephone survey, to gather lessons learned about SDU procurement and SDU requirements. As a result, the decision was made to conduct the SDU procurement as a purchase of services rather than a development project. Currently tasks are underway to develop a detailed schedule and to flush out requirements.

Transition Management Activities

DCSS is leading the planning effort for transition management activities for the CCSAS Project as a subset of the overall transition of the statewide program. As DCSS restructures the child support program, change is already occurring at the local level and DCSS is providing ongoing support and guidance to ensure there is no disruption to services. With these changes already in progress, DCSS is responsible for ensuring the CCSAS transition management activities are planning and coordinated with program-directed changes. Eight topical areas have been defined for the CCSAS Transition Management Plan: Training, Communication and Outreach, Data Conversion, Third Party Interfaces, Program Interfaces, Readiness Assessments,

Business Process Re-engineering, and Onsite Support. Business partner responsibilities for transition management will be integrated into the plan after the contract is awarded.

CONCLUSION

DCSS has made great strides in its first 18 months of operation in developing the restructured California child support program. The challenges are many but DCSS is well underway in meeting its mandates and establishing the vision for California's child support program. DCSS is committed to implementing the best child support program in the nation – a program that becomes a model for serving children and supporting family self-sufficiency.